

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 COME-00 SP-02 USIA-15 AID-05
NSC-05 CIEP-02 SS-15 STR-04 OMB-01 CEA-01 FRB-01
CIAE-00 INR-07 NSAE-00 /078 W
----- 123398 /11

R 141108Z DEC 76
FM AMEMBASSY BONN
TO SECSTATE WASHDC 4057
DEPARTMENT TREASURY
INFO USMISSION OECD PARIS
USMISSION EC BRUSSELS

UNCLAS SECTION 01 OF 02 BONN 20947

DEPARTMENT PASS FEDERAL RESERVE

E. O. 11652: N/A
TAGS: EFIN, GW
SUBJECT: GERMAN BALANCE OF PAYMENTS IN OCTOBER

REF.: CERP O1O2

1. TRANSMITTED HERewith ARE GERMAN BALANCE OF PAYMENTS
DATA FOR OCTOBER 1976 AND, FOR COMPARISON, THE
PERIODS JANUARY - OCTOBER, 1975 AND 1976.

OCTOBER JANUARY - OCTOBER
1976 1976 1975
(IN MILLIONS OF DM)

EXPORTS	22,866	209,704	181,931
IMPORTS C.I.F.	19,281	181,447	151,039
TRADE BALANCE	3,585	28,257	30,892
SUPPLEMENTARY TRADE ITEMS	57	-247	-1,895
TRADE BALANCE (INCLUDING SUPPLEMENTARY ITEMS)	3,642	28,010	28,997
SERVICES	-600	-7,562	-9,425
UNILATERAL TRANSFERS	-1,400	-14,333	-13,648
BALANCE OF INVISIBLES	-2,000	-21,895	-23,073
CURRENT ACCOUNT BALANCE	1,642	6,115	5,924
LONG-TERM CAPITAL			

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DIRECT INVESTMENT -89 -1,544 -1,112

PORTFOLIO INVESTMENT	1,074	3,358	-3,703
CREDITS AND LOANS	-1,208	-2,672	-9,314
OTHER	-48	-485	-465
OFFICIAL	-657	2,567	46L
BALANCE OF LONG-TERM			
CAPITAL	-928	1,225	-14,134
SHORT-TERM CAPITAL			
COMMERCIAL BANKS	146	6,706	-3,591
PRIVATE NON-BANKS	1,859	1,475	10,446
OFFICIAL	-291	256	1,343
UNRECORDED TRANSACTIONS	-385	-4,071	-559
BALANCE OF SHORT-TERM			
CAPITAL	1,329	4,366	7,639
NET FOREIGN POSITION OF			
BUNDESBANK	2,043	11,706	-571

2. ON A SEASONALLY ADJUSTED BASIS EXPORTS WERE IN OCTOBER SOMEWHAT LOWER THAN IN SEPTEMBER. HOWEVER, IF SEPTEMBER AND OCTOBER DATA ARE COMBINED EXPORTS, ON A SEASONALLY ADJUSTED BASIS, INCREASED BY 5.4 PERCENT COMPARED WITH JULY/AUGUST. SEASONALLY ADJUSTED IMPORTS WERE IN OCTOBER AT ABOUT THE SAME LEVEL AS IN SEPTEMBER, BUT, ON AVERAGE IN THE TWO-MONTH PERIOD SEPTEMBER-OCTOBER, DECLINED BY 3.1 PERCENT AS COMPARED WITH THE PREVIOUS TWO MONTHS.

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3. THE DECLINE IN THE SERVICES DEFICIT BASICALLY REFLECTED A SEASONAL DECLINE IN GERMANY'S TOURIST TRANSACTIONS DEFICIT FROM DM 1.5 BILLION IN SEPTEMBER TO DM 1.0 BILLION IN OCTOBER. THE SLIGHT INCREASE IN THE TRANSFERS DEFICIT WAS DUE TO HIGHER PAYMENTS TO THE EC.

4. THE DEFICIT IN THE LONG-TERM CREDITS AND LOANS ITEM BASICALLY REFLECTED CREDITS GRANTED BY GERMAN BANKS TO FOREIGNERS WHILE THE DM 0.7 BILLION OUTFLOW OF LONG-TERM CAPITAL THROUGH OFFICIAL TRANSACTIONS REFLECTED MAINLY THE GRANTING OF DEVELOPMENT AID. FOREIGNERS INCREASED THEIR PURCHASES OF GERMAN SECURITIES, DM 0.7 BILLION ALONE ACCOUNTED FOR BY PURCHASES OF GERMAN BONDS. IN ADDITION, GERMANS SOLD FOREIGN SECURITIES, MAINLY FOREIGN DM BONDS. AS A RESULT SECURITY TRANSACTIONS IN OCTOBER PRODUCED NET CAPITAL IMPORTS OF DM 1.1 BILLION.

5. THE DM 1.9 BILLION INFLOW OF FOREIGN SHORT-TERM CAPITAL TO THE GERMAN PRIVATE NON-BANK SECTOR OCCURED IN THE FIRST HALF OF OCTOBER DUE TO SPECULATION ON A DM REVALUATION. THE FLOW OF SPECULATIVE FOREIGN SHORT-TERM FUNDS TO GERMAN BANKS WAS ALSO SUBSTANTIAL RESULTING

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IN A DM 3.0 BILLION INCREASE IN SHORT-TERM BANK DEPOSITS HELD BY FOREIGNERS AT GERMAN BANKS. HOWEVER, THE BULK OF THESE INFLOWS (DM 2.8 BILLION) WAS RE-EXPORTED BY THE GERMAN BANKS SO THAT THEIR NET SHORT-TERM POSITION REMAINED RATHER UNCHANGED.

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